GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:7674
ANSWERED ON:16.05.2002
CONSTRUCTION OF NEELANCHAL ISPAT NIGAM
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO

Will the Minister of STEEL be pleased to state:

(a) the estimate cost of Neelanchal Ispat Nigam which is being constructed at Kalinga Nagar Orissa;

(b) the amount already spent on the construction on that steel plant;

(c) whether there is any proposal to provide the remaining funds for that steel plant;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) The estimated capital cost of Neelachal Ispat Nigam Ltd. (NINL) is Rs. 1524 Crore as per mid-term appraisal carried out by IDBI.

(b) An expenditure of Rs. 890 Crore (approx) has been incurred on the construction of NINL till March` 2002.

(c)to(e): The capital cost is planned to be met with debt of Rs. 969 Crore and equity of Rs. 555 Crore in ratio of 1.75 to 1. The debt component has been tied-up with Financial Institutions and Banks leaving Rs. 100 Crore to be raised through Bonds. The equity has also been tied-up providing for initial public offering of Rs. 255 Crore with balance contribution coming from MMTC, Government of Orissa, MECON, IDBI and Equipment suppliers. The company will go for initial public offerings in the market at the appropriate time keeping in view the market sentiments about the steel industry which, off late, has started improving.